

Senate Bill No. 208

CHAPTER 656

An act to amend Section 14452 of, and to add Section 4648.11 to, the Welfare and Institutions Code, relating to public social services.

[Approved by Governor October 8, 2013. Filed with
Secretary of State October 8, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

SB 208, Lara. Public social services: contracting.

Under existing law, the Lanterman Developmental Disabilities Services Act, the State Department of Developmental Services contracts with regional centers to provide services and supports to individuals with developmental disabilities. The services and supports to be provided to a regional center consumer are contained in an individual program plan (IPP), developed in accordance with prescribed requirements. Existing law authorizes the regional center to, among other things, solicit an individual or agency, by requests for proposals (RFPs) or other means, to provide needed services or supports that are not available to achieve the stated objectives of a consumer's IPP.

This bill would require an RFP that is prepared by a regional center for consumer services and supports to include a section on issues of equity and diversity, as specified. The bill would require an RFP that applies only to specifically identified consumers to only request information on how the applicant plans to provide culturally and linguistically competent services and supports to those specific consumers. The bill would make findings and declarations in that regard.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law authorizes the department to enter into various types of contracts for the provision of services to beneficiaries, including contracts with prepaid health plans, as defined. Existing law requires all subcontracts entered into by prepaid health plans to, among other things, contain the amount of compensation or other consideration that the subcontractor will receive under the terms of the subcontract, except as provided. Existing law prohibits a prepaid health plan from entering into a subcontract in which consideration is determined by a percentage of the primary contractor's payment from the department.

This bill would eliminate that prohibition and instead authorize a prepaid health plan, unless the department objects, to enter into a subcontract in

which consideration is determined by a percentage of the primary contractor's payment from the department.

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares the following:

(a) The State Department of Developmental Services and the regional center system provide treatment, habilitation, and other services to Californians with developmental disabilities so that they may lead more independent, productive, and integrated lives.

(b) California, where diverse communities account for about 60 percent of the population, is now a "majority minority" state.

(c) The Lanterman Developmental Disabilities Services Act requires that a person who receives services from a regional center must have programs, services, and supports that are "person centered" and that are based on the specific assessment and needs of each consumer.

(d) Therefore, services provided to regional center consumers should be provided in a linguistically and culturally competent manner that promotes equity and diversity for all Californians.

SEC. 2. Section 4648.11 is added to the Welfare and Institutions Code, to read:

4648.11. (a) (1) Except as provided in subdivision (b), a request for proposals that is prepared by a regional center for consumer services and supports shall include a section on issues of equity and diversity.

(2) The section on equity and diversity shall request, but not be limited to, all of the following information:

(A) A statement outlining the applicant's plan to serve diverse populations, including, but not limited to, culturally and linguistically diverse populations.

(B) Examples of the applicant's commitment to addressing the needs of those diverse populations.

(C) Any additional information that the applicant deems relevant to issues of equity and diversity.

(b) A request for proposals that applies only to specifically identified consumers is required only to request information on how the applicant plans to provide culturally and linguistically competent services and supports to those specific consumers.

(c) This section shall not alter contracts entered into before January 1, 2014.

SEC. 3. Section 14452 of the Welfare and Institutions Code is amended to read:

14452. (a) All subcontracts shall be entered into pursuant to the requirements of the Knox-Keene Health Care Service Plan Act of 1975, or the requirements of Chapter 11A (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code, as appropriate, and federal law. All

subcontracts shall be in writing, a copy of which shall be transmitted to the department.

Each subcontract shall contain the amount of compensation or other consideration that the subcontractor will receive under the terms of the subcontract with the prepaid health plans. These provisions shall not apply to a provider who is employed or salaried by the prepaid health plan. Unless the department objects, a prepaid health plan may enter into a subcontract in which consideration is determined by a percentage of the primary contractor's payment from the department. This subdivision shall not be construed to prohibit any subcontract in which consideration is determined on a capitation basis.

Subcontracts between a prepaid health plan and the subcontractor shall be public records on file with the department. The names of the officers and owners of the subcontractor, stockholders owning more than 10 percent of the stock issued by the subcontractor, and major creditors holding more than 5 percent of the debt of the subcontractor shall be submitted by each prepaid health plan to the department and shall be public records on file with the department.

(b) A prepaid health plan that is not a qualified health maintenance organization pursuant to Title XIII of the federal Public Health Service Act shall submit all provider and management subcontracts to the department for approval prior to the subcontract taking effect.

(c) Each subcontract shall require that the subcontractor make all of its books and records pertaining to the goods and services furnished under the terms of the subcontract available for inspection, examination, or copying by the department during normal working hours at the subcontractor's place of business, or another mutually agreeable location in California.